



Department of  
**Education**

# District Guide to the E-rate Mini-Bid Process

In Support of the Tennessee Education  
Broadband Consortium (TEBC)

Tennessee Department of Education | Procedure Guide | March 2016



# Executive Summary

In October 2015, the Tennessee Department of Education began an initiative to take a holistic view of the state of E-rate in the State of Tennessee. After consultation with E-rate professionals at the federal and state levels and a series of town halls with district superintendents and technology professionals, the decision was made to take a bold step and create a uniquely Tennessee solution to the challenges districts face participating in the E-rate program.

By December 2015, the Tennessee Education Broadband Consortium (TEBC) had filed its first FCC Form 470. The related Request for Qualifications (RFQ) would ultimately yield a collection of statewide master contracts providing a vetted field of vendors providing Category 1 and Category 2 E-rate eligible goods and services. This multivendor procurement offering will provide districts a cost-effective mechanism by which E-rate eligible goods and services may be purchased while supporting district choice through a verifiable mini-bid process.

This guide will provide districts detailed steps to conduct and participate in a successful mini-bid process culminating in a FCC Form 471 filing. There are no guarantees that any E-rate transaction will avoid the scrutiny of an USAC audit. In fact, all E-rate transactions are guaranteed TO be reviewed at different steps of the process. Following the steps in this guide will assist in making transactions conducted under the TEBC umbrella more audit/review friendly.

This initiative was driven by the following strategic goals:

## ***Overarching Goals***

- Create a cost-effective procurement vehicle available to districts for the purchase of E-rate eligible goods and services
- Create a procurement process which complies with FCC policies and USAC procedures regarding the E-rate program
- Create a procurement process which supports compliance with local fiscal and procurement regulations
- Support the principle of district choice by allowing districts to comply craft locally appropriate solutions through prescriptive and verifiable procurement procedures

# Mini-Bid Preliminary Tasks

## ***Introduction***

Before the actual mini-bid can be conducted, there are several items which must be in place to assure that procurement activities may go forward. As each step is reviewed, be sure to allow appropriate time in your procurement schedule for each body of work to complete. While some of the steps described below will be “Year 1” items only, others will become a part of your annual E-rate procurement process.

Beginning with the Funding Year 2016 application process, several steps must be completed in the E-rate Productivity Center (EPC). This online resource will be the main point of entry for most items related to the application for E-rate eligible goods and services. From this point forward, this portal will be simply referred to as EPC (pronounced EPiC). General guidance about registration in the EPC system can be found in the “TN E-rate for Beginners” slide deck at <http://tn.gov/education/erate>.

*Beginning with the Funding Year 2016 application process, several steps must be completed in the E-rate Productivity Center (EPC).*

**Note:** You **MUST** have an account in EPC to apply for E-rate funding. Over the next six months, all E-rate forms, letters and interactions will be phased into the EPC portal system. There are several advantages to the new system including:

- All forms, submitted documentation, and requests will be archived in a single location
- Forms will be pre-populated with form-relevant information based upon information entered during the EPC profile update process
- USAC review processes will be streamlined facilitating more expeditious funding replies to districts

## ***Consortium Linking in EPC***

Before you issue your mini-bid requests, your district’s EPC Full and/or Partial Rights Users **MUST** link your district to the Tennessee Education Broadband Consortium (BEN 128260). Most districts completed this work during their Letter of Agency submissions in December 2015. Screenshot of the process can be found in the “ADD TN Education Broadband Consortium in EPC” document at <http://tn.gov/education/erate>.

## ***Vendor Participation during Equipment/Services Needs List Determination***

E-rate rules prohibit vendors who may respond to your request from providing the equipment and service list that will become part of the mini-bid. Service providers are allowed to answer general questions about the products and services they sell in response to applicant inquiries, but they may not prepare any part of a specifications sheet that will be used by the applicant for conducting competitive procurement. If exact model numbers or specifications are unknown by the applicant, list the manufacturer (assuming there is a preference) and generally describe the components and services where are required.

## ***Contract Requirements***

For Funding Year 2016, a vendor contract will be created as a result of the evaluation of a mini-bid process. For TEBC, this resulting contract will be the TEBC SMC Order Form. This form will be available at <http://tn.gov/education/erate>. The form will memorialize the transaction for future review while assuring that all terms and conditions of the procurement are clearly understood by both the district and the vendor.

## ***Vendor Listing by Category***

A complete listing of all of the vendors by category offering will be made available to districts. The document will also include name, email, and phone contact information for establishing communications with participating vendors. This list will be maintained by the department as information requires updating. The list will remain available at <http://tn.gov/education/erate> for download by districts.

## ***Bid Evaluation Matrix Template***

The department will be providing a template for use during the evaluation phase of the mini-bid process. While districts have the ability to craft their own evaluation matrices, the department strongly recommends the use of this template to guide the process.

The primary purpose of the mini-bid is to determine the most cost-effective, district-appropriate solution for an E-rate eligible need which can be provided by an approved TEBC vendor. The template sets the scoring of cost to 50 percent very deliberately. FCC rules require that the cost of E-rate eligible goods and services must be the most heavily weighted factor in the evaluation process. Given the attention the FCC is putting upon cost-effectiveness, the department's suggestion of this weight to cost in the evaluation template is preemptive of a potential prescriptive action by the FCC to require cost be given at least 50 percent of available points.

## ***Mini-bid Reviews***

**Mini-bid Outcome Evaluation.** The department's E-rate team will, at the request of the district, review the process and results of a district mini-bid process prior to contract award and filing of the FCC Form 471. The review would be documented and become part of the district procurement record. The following are the benefits of such a review:

1. Provides a third-party review of the overall process to assure that all policy and regulations have been followed.
2. Provides additional document during a USAC review that all due diligence has been taken to assure that an accurate and cost-effective district solution has been developed and implemented.
3. Provides additional support for district technology and E-rate professionals in the event that any questions arise during or after the process.

It is important to note that **this does not constitute an audit of the district**. This is a support to assist district personnel at every level of the E-rate process and arrive at a successful outcome for the students for which this program is focused upon.

## ***Additional Comments on Review and Audits***

Throughout the establishment process of the TEBC, efforts have been made at each level, at each process to make this offering as cost-effective and transparent as possible. Each decision was made through the lens of an audit process to assure the best possible procurement vehicle for our districts to obtain E-rate eligible goods and services. This fact withstanding, the Tennessee Department of Education cannot make any guarantees that a particular E-rate application process will not be audited by USAC. To the contrary, the nature of the program itself makes it inevitable that reviews and audits will routinely take place.

Districts that follow the guidelines provided by the state are assured to have a complete set of documentation ready for review when audit opportunities arise. Additionally, the state E-rate team will provide full support to districts during the audit or review process. **In short, districts using the TEBC process will not be left on their own to deal with audits and reviews.**

# The Mini-Bid Process: By the Steps

## Overview

The mini-bid process will follow a six (6) step process:

### Step 1: Create Needs List

- For Category 1 (Area of Focus 1 / broadband and voice), create a list of locations with service location addresses and capacity requirements.
- For Category 2 (Area of Focus 2 / internal connections), create a list of required equipment including as much manufacturer and model information as possible.
- For Category 2 (Area of Focus 3 / MIBS), create a list of locations with service location addresses and connection capacity requirements

### Step 2: Compose Email to Potential Vendors

- Compose email including local procurement requirements, communications rules, and logistics information.

### Step 3: Determine All Vendors in Category

- Use state supplied vendor list to create mail-merge friendly vendor list for the specific category of interest.

Figure 1 - Steps 1 - 3 of the mini-bid process.



## ***Step 1: Create Needs List***

Create a list of needs for the procurement. The list of needs for Category 1 and Category 2 will look somewhat different. *Please note the guidance in the first section of the document regarding the use of vendor provided specification in the mini-bid solicitation.*

For Category 1 broadband services (Internet Access and/or Transport Circuits) (Area of Focus 1), the district must provide a list of locations with complete service location addresses and the quantity and bandwidth/type of services requested at each location. Be certain to include installation (NRC), if needed, in the needs listing. This request should not only take into account current broadband needs, but it should also include the consideration of future network demands. Consider the question, what would happen if four (4) classrooms of 25 children began streaming a video at the exact same time?

For Category 1 Voice services, include the type/quantity of services using the appropriate template (VoIP, Analog/Fax/POTS or Cellular). If requesting VoIP and/or Analog/Fax/POTS, be sure to include the site name and 911 addresses for where services are to be delivered.

For Category 2 internal connections (Area of Focus 2), the district must provide a list of equipment needed for the procurement. Provide as much information about make and model as possible. In circumstances where a manufacturer preference is not indicated or a particular model of product is unknown, specify as much information as possible and be responsive to vendor questions when they are submitted.

For Category 2 managed internal broadband services (Area of Focus 3), the district must provide a list of locations with complete service location addresses and the services required at each location. Additionally, the district must specify the MIBS equipment model — district-owned or leased. If the district-owned model is preferred, a list of equipment, which will be used as part of the managed service must be provided.

Attach the resulting needs lists to your cover email which will be sent to all vendors within the identified area of focus.

## ***Step 2: Compose E-mail to Potential Vendors***

Compose an email to all possible vendors within the identified area of focus announce the procurement opportunity. The email should include



- any local procurement policies and procedures (possible disqualification factors)
- protocols regarding communications with vendors (email only, email/phone, etc.)
- pre-bid meeting information (if applicable, not required); and
- due date and time for responses

A sample email has been attached for modification and use by district personnel.

#### **Step 4: Conduct Bid Evaluation and Review**

- State has provided a evaluation matrix template to assist in the evaluation process.
- Strongly recommended that cost be at least 50% of the evaluation points.

#### **Step 5: Notify Winning Vendor / Sign Contracts**

- Communicate award to selected vendor.
- Make sure to include language about school board approval and E-rate funding approval contingencies.

#### **Step 6: Update Contract Record in EPC**

- All aspects of the bidding and award process must be entered into EPC.

Figure 2 - Steps 4 - 6 of the mini-bid process.

### ***Step 3: Determine All Vendors in “Category”***

The state has provided a document which lists all of the qualified vendors within the TEBC. The document breaks down the listing by category of service. The lists include contact name, email, and phone number information. Individual tabs have been created for each area of focus and scope item. District procurement personnel can additionally use the Excel filtering feature to easily create a mail-merge friendly listing. This list can be obtained from <http://tn.gov/education/erate>.

### ***Step 4: Conduct Bid Evaluation and Review***

Using the vendor responses to the mini-bid request, districts will conduct an evaluation of the bid responses, using the state supplied template. The template will calculate the winner of the mini-bid based upon the cost response and the locally assigned values to the remaining evaluation criteria. As stated at the beginning of the guide, cost must be the most heavily weighted factor in the evaluation. The state strongly recommends that cost be weighted at no less than 50 percent of the total points available.

Once a winner has been identified by the district, district E-rate and procurement personnel may submit the response(s) and evaluation matrix to the state E-rate team for review and comments. Once the district receives this feedback, district personnel will complete the potential contractor award process.

### ***Step 5: Notify Winning Vendor / Sign Contracts***

The district will send an email to the winning vendor. Other forms of communications may be used to memorialize the award in accordance with local procurement law. The district will complete the TEBC SMC order form to retain with their local procurement records. A sample notification email has been attached.

District E-rate personnel should include language in the award letter and subsequent contract that reiterate contingency upon school board approval and E-rate funding approval. When scheduling the contract execution process, districts may also need to include time for review by municipal / county government fiscal committees depending on under which financial management act the local government is organized.

### ***Step 6: Update Contract Record in EPC***

Once the final agreement has been authorized and approved by the local school board, the contract must be entered into EPC. More information about the entry process can be found in the “2016 Contracts Module” PowerPoint slide deck at <http://tn.gov/education/erate>.

## **Final Thoughts**

The creation of the TEBC and its processes were district-driven decisions. At the end of the day, all parties involved have the same goal — the delivery of high-quality broadband access for all students within the state of Tennessee. The TEBC seeks to facilitate the accurate, cost-effective, and transparent procurement of E-rate eligible goods and services by districts using verifiable and procedurally sound techniques.

District input has been and will continue to be an essential part of this initiative. Please submit any comments, questions and/or concerns to [Erate.K12@tn.gov](mailto:Erate.K12@tn.gov).